

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **September 12, 2006**

AGENDA ITEM NO.: 21

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Proposed Changes to the Billing Due dates for Vehicle License Fee, Personal Property, Business Personal Property, and Machinery and Tools Taxes.**

### RECOMMENDATION:

Adopt an ordinance to amend and reenact Sections 36-130, 36-149.1, and 36-171 of the Code of the City of Lynchburg to change the due date of installments for Vehicle License Fees, Personal Property, Business Personal Property, and Machinery and tools Taxes from June 1 to June 5 and from December 1 to December 5.

### SUMMARY:

In July of 2005 due dates were changed to comply with the new personal property system. After using the system for a year, staff realized that it would be less confusing for citizens if the due dates were changed to June 5<sup>th</sup> and December 5<sup>th</sup> to coordinate with the surrounding counties. Also, staff had complaints from elderly citizens that they had not received their Social Security checks as of the first of the month and moving these dates will allow the City to be sensitive to this issue. The supplemental bill dates of August and February would also be changed from the 1<sup>st</sup> of the month to the 5<sup>th</sup>.

PRIOR ACTION(S): Finance Committee, September 5, 2006

FISCAL IMPACT: None

CONTACT(S): Donna Witt, Director of Financial Services 455-3968

ATTACHMENT(S): Ordinance for Amended Code

REVIEWED BY: lkp

## ORDINANCE

AN ORDINANCE TO AMEND AND REENACT SECTION 36-130, AMOUNT OF LICENSE FEES; SECTION 36-149.1, PERSONAL PROPERTY TAX ON MOTOR VEHICLES, TRAILERS AND BOATS; AND SECTION 36-171, WHEN TAX INSTALLMENTS DUE; PENALTY; PARTIAL PAYMENTS.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That Sections 36-130, 36-149.1, and 36-171 of the Code of the City of Lynchburg, 1981, be and the same are hereby amended and reenacted as follows:

### **Sec. 36-130. Amount of license fees.**

Effective March 1, 2005 the annual license fee hereby imposed on motor vehicles shall be in addition to any other property tax on motor vehicles and shall be as follows:

(a) Passenger vehicles: The annual license fee to be paid for motor vehicles, trailers and semitrailers designed and used for the transportation of passengers shall be as follows:

(1) Twenty-nine dollars and fifty cents (\$29.50) for a private motor vehicle other than a motorcycle with a normal seating capacity of not more than ten (10) persons, and weighing less than four thousand (4,000) pounds, or thirty four dollars and fifty cents (\$34.50) if the vehicle weighs more than four thousand (4,000) pounds.

(2) Twenty nine dollars and fifty cents (\$29.50) for a school bus owned and operated by a private school or private bus owned and operated by a charitable organization in connection with its work.

(3) Twenty nine dollars and fifty cents (\$29.50) for a noncollapsible trailer or semitrailer designed for use as living quarters for human beings.

(4) Twenty nine dollars and fifty cents (\$29.50) for a taxicab and other vehicles kept for rent or for hire operated with a chauffeur for the transportation of passengers and weighing less than four thousand (4,000) pounds, or thirty four dollars and fifty cents (\$34.50) if the vehicle weighs more than four thousand (4,000) pounds. This subsection shall not apply to vehicles used as common carriers nor shall it apply to ambulances operating under a certificate of public convenience and necessity issued under Chapter 5 of this code.

(5) Twenty one dollars (\$21.00) for a motorcycle.

(6) Twenty nine dollars and fifty cents (\$29.50) for a bus used exclusively for transportation to and from Sunday school or church for the purpose of divine worship.

The manufacturer's shipping weight or scale weight shall be used for computing all taxes required by this section to be based upon the weight of the vehicle.

(b) Vehicles other than passenger vehicles: The annual license fee to be paid for all motor vehicles not designed and used for the transportation of passengers shall be an amount to be determined by the gross weight of the vehicle or combination of vehicles of which it is a part, when loaded to the maximum capacity for which it is registered and licensed, by the state pursuant to applicable provision of Title 46.2 of the Code of Virginia, 1950, as amended, according to the schedule herein set forth; provided, however, that the fee for the license fee for said motor vehicles shall not exceed two hundred eighty seven dollars and thirty cents (\$287.30). For each thousand pounds of gross weight, or major fraction thereof, for which any such vehicle is registered by the state, there shall be paid to the city motor vehicle license officer the fee indicated in the following schedule immediately opposite the weight group into which such vehicle, or any combination of vehicles of which it is a part, falls when loaded to the maximum capacity for which it is registered and licensed; provided that in no case shall the license fee be less than thirty four dollars and fifty cents (\$34.50) nor more than two hundred eighty seven dollars and thirty cents (\$287.30).

## SCHEDULE

Gross weight group (pounds)	License fee per thousand pounds of gross weight
10,000 and less	\$3.45
10,001 - 11,000	3.45
11,001 - 12,000	3.45
12,001 - 13,000	3.45
13,001 - 14,000	3.45
14,001 - 15,000	3.45
15,001 - 16,000	3.60
16,001 - 17,000	4.00
17,001 - 18,000	4.40
18,001 - 19,000	4.80
19,001 - 20,000	5.20
20,001 - 21,000	5.60
21,001 - 22,000	6.00
22,001 - 23,000	6.40
23,001 - 24,000	6.80
24,001 - 25,000	6.90
25,001 - 26,000	6.95
26,001 - 27,000	8.25
27,001 - 28,000	8.30
28,001 - 29,000	8.35
29,001 - 34,000	8.45
Over 34,000	maximum fee 8.45

(c) Collapsible trailers, trailers and semitrailers not designated and used for transportation of passengers: The license fees for collapsible trailers, trailers and semitrailers not designated and used for the transportation of passengers shall be as follows:

Registered Gross Weight	Fee
1 - 1,500 lbs.	\$8.00
1,501 - 4,000 lbs.	18.50
4,001 lbs. and above	23.00

(d) Vehicles transporting well-drilling machinery: The annual license fee to be paid for any motor vehicle, trailer or semitrailer upon which well-drilling machinery is attached and which is permanently used solely for transporting such machinery shall be fifteen dollars (\$15.00).

(e) When fees due and payable: License fees for all vehicles shall be due and payable on the ~~first day of June~~ fifth day of June in each year. All license fees levied by this section shall be paid with the first installment of personal property taxes.

(f) Proration: The annual license fees paid on a motor vehicle that acquires a situs within the city after January 1 of a tax year shall be prorated by paying the following percentages of the annual fee:

Period	Percentage
January 1 – February 28	100%
March 1 – March 31	92%
April 1 – April 30	84%
May 1 – May 31	76%
June 1 – June 30	68%
July 1 – July 31	60%
August 1 – August 31	52%
September 1 – September 30	44%
October 1 – October 31	36%
November 1 – November 30	28%
December 1 – December 31	20%

(g) Conflict with state law: Nothing in this section shall be construed as imposing a license fee on any such vehicle in excess of the amount authorized to be imposed by the laws of the state.

(h) The commissioner of revenue will use the file by exception method for each fiduciary mentioned in this section, as per Section 58.1-3518.1 of the Code of Virginia, 1950, as amended.

(i) All city taxes for each year or fiscal year on tangible personal property assessed under this section shall be paid pursuant to the provisions of Section 36-171.

### **Sec. 36-149.1. Personal property tax on motor vehicles, trailers and boats.**

(a) Tax liability. There shall be a personal property tax at the rate established in Section 36-149 on motor vehicles, trailers and boats (taxable property) which have a situs within the city on January first of each year and which acquire a situs within the city on or after January second, 1985, and all years thereafter. When taxable property acquires a situs within the city on or after January second, the personal property tax for that year shall be prorated on a monthly basis. When taxable property with a situs in the city is transferred to a new owner, personal property tax will be assessed to the new owner prorated on a monthly basis for the portion of the tax year during which the new owner owns the taxable property. For purposes of proration, a period of more than one-half (1/2) of a month shall be counted as a full month and a period of less than one-half (1/2) of a month shall not be counted. All taxable property shall be assessed as of January first of each year or, if it acquires situs or has its title transferred after January first, as of the first day of the month in which the taxable property acquires situs within the city or has its title transferred.

(b) Refunds. When any taxable property loses its situs within the city or its title is transferred, the taxpayer shall be relieved from personal property tax and receive a refund for personal property tax already paid, prorated on a monthly basis, upon application to the commissioner of the revenue; provided, that application is made within three (3) years from the last day of the tax year during which the taxable personal property lost situs or had its title transferred. No refund of less than five dollars (\$5.00) shall be issued to a taxpayer, unless specifically requested by the taxpayer. No refund shall be made if the taxable property acquires a situs within the Commonwealth in a non pro-rating locality. When any taxable property loses its situs within the city and acquires a situs within another state the taxpayer shall not be entitled to a refund except upon a showing of sufficient evidence that the taxpayer has been assessed and has paid taxes on such taxable property for the remainder of the tax year to such state.

(c) Filing dates. Taxable property which acquires a situs within the city or which has its title transferred after January first of a tax year shall be filed within thirty (30) days of the date on which situs is acquired or title is transferred.

(d) Payment dates. Taxes on all taxable property with a situs within the city on January first of each year shall be paid in two installments of ~~June first~~ June fifth and ~~December first~~ December fifth of such tax year. Taxes on all taxable property which acquires a situs within the city or has its title transferred after January first of a tax year for the preparation of personal property tax bills for the tax year shall be paid in two installments of ~~June first~~ June fifth and ~~December first~~ December fifth of the tax year. Taxes on all taxable property which acquires a situs within the city or has its title transferred after May 1 shall be paid within fourteen (14) days from the date of assessment.

(e) Late payment penalty. Any person who fails to pay any personal property taxes on or before the installment due dates as provided above shall incur a penalty of ten per cent (10%) of the total amount of the tax levied, including any amount to be paid by the Commonwealth, which penalty shall become a part of the taxes due.

(f) Exemption when taxes paid elsewhere in commonwealth. An exemption from this tax and penalties arising there from shall be granted for any tax year or portion thereof during which the property was legally assessed by another jurisdiction in the commonwealth, and such tax on the assessed property was paid.

(g) Notwithstanding any other provisions of this chapter, the provisions of this section shall also apply to all motor vehicles, trailers and boats used in a trade or business which acquire a situs within the city during a tax year.

#### **Sec. 36-171. When tax installments due; penalty; partial payments.**

(a) Effective on and after July 1, 1974, one-fourth of the city tax assessed on real estate for each fiscal year shall be paid to the city collector between November first and November fifteenth, inclusive, of the fiscal year for which the tax is assessed, one-fourth shall be paid to the city collector between January first and January fifteenth, inclusive, of the fiscal year for which the tax is assessed, one-fourth shall be paid to the city collector between March first and March fifteenth, inclusive, of the fiscal year for which the tax is assessed, and the remaining one-fourth paid to the city collector between May first and May fifteenth, inclusive, of the fiscal year for which said tax is assessed.

(b) If any installment of taxes due on any particular piece of property shall not be paid as and when due as above set forth, said installment shall at once become due and collectible with ten (10) per cent penalty thereon.

(c) All city taxes for each year or fiscal year on tangible personal property, assessed under section 36-149 of this code, and all city taxes for each year or fiscal year on machinery and tools, assessed under section 36-151 of this code, shall be paid to the city collector, in two installments on ~~June 4~~ June 5 and ~~December 4~~, December 5, inclusive, of the year or fiscal year for which the tax is assessed.

(d) If any city taxes due on any tangible personal property for any year or fiscal year assessed under section 36-149 of this code, or on machinery and tools, assessed under section 36-151 of this code, shall not be paid as and when as above provided, then the same shall have added thereto the penalty of ten (10) per cent on the total amount of taxes levied, including any amount to be paid by the Commonwealth.

(e) Interest at the rate of eight (8) per cent per annum from the first day of the month following the month in which taxes on real estate, tangible personal property and machinery and tools are required to be paid shall be collected upon the principal and applicable penalty then remaining unpaid. Effective on and after July 1, 1995, interest at the rate of ten (10) per cent per annum from the first day of the month following the month in which taxes are required to be paid, shall be collected upon the principal and applicable penalty remaining unpaid. No penalty for the failure to pay a tax or installment shall exceed ten (10) percent of the tax past due, or in the case of tangible personal property ten (10) percent of the tax levied, including any amount paid by the

Commonwealth, or the sum of ten dollars (\$10.00), whichever is greater; provided, however, that the penalty shall in no case exceed the amount of tax levied.

(f) Effective on and after July 1, 1995, whenever the city utilizes the services of an attorney or collection agency to collect delinquent taxes on subjects other than real estate, reasonable attorney's fees or collection agency's fees shall be added to the amount of the delinquent tax bill. The attorney's fees or collection agency's fees shall not exceed twenty (20) per cent of the delinquent tax bill upon nonpayment. Attorney's fees shall be added only if such delinquency is collected by action at law or suit in equity. No tax assessment or tax bill shall be deemed delinquent and subject to the collection procedures prescribed herein during the pendency of any administrative appeal under Section 58.1-3980 of the Code of Virginia, 1950, as amended, so long as the appeal is filed within ninety days (90) of the date of the assessment, and for thirty (30) days after the date of the final determination of the appeal.

(g) The city shall collect an administrative fee from each person who owes delinquent taxes or other delinquent charges to cover the administrative costs associated with the city's collection of delinquent taxes and other charges. Such administrative fee shall be in addition to all penalties and interest, and shall be thirty dollars (\$30.00) for taxes or other charges collected subsequent to thirty (30) or more days after notice of delinquent taxes or charges pursuant to §58.1-3919 of the Code of Virginia but prior to the taking of any judgment with respect to such delinquent taxes or charges, and thirty-five dollars (\$35.00) for taxes or other charges collected subsequent to judgment. If the collection activity is to collect on a nuisance abatement lien, the fee for administrative costs shall be one hundred fifty dollars (\$150.00) or twenty-five percent (25%) of the cost, whichever is less; however, in no event shall the fee be less than twenty-five dollars (\$25.00). The city shall also collect from each person who owes delinquent taxes and other delinquent charges reasonable attorney's fees or collections agency fee's actually contracted for. The attorney's or collection agency's fees shall not exceed twenty percent (20%) of the taxes or other charges so collected. No tax assessment or tax bill shall be deemed delinquent and subject to the collection procedures prescribed herein during the pendency of any administrative appeal under Section 58.1-3980 of the Code of Virginia, so long as the appeal is filed within ninety (90) days of the date of the assessment, and for thirty (30) days after the date of the final determination of the appeal, provided that nothing in this paragraph shall be construed to preclude the assessment or refund, following the final determination of such appeal, of such interest as otherwise may be provided by general law as to that portion of the tax bill that has remained unpaid or was overpaid during the pendency of such appeal and is determined in such appeal to be properly due and owing.

2. That this ordinance shall become effective on its passage.

Adopted:

Certified:

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Clerk of Council

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